

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 09046 240904Z

17

ACTION EA-09

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 DODE-00

INR-07 NSAE-00 PA-01 USIA-06 PRS-01 COME-00 FRB-03

XMB-02 OPIC-03 LAB-04 SIL-01 /079 W

----- 003758

P 240838Z NOV 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 4049

LIMITED OFFICIAL USE SEOUL 9046

E.O. 11652: N/A

TAGS: EFIN, KS

SUBJECT: NEW YORK TIMES ARTICLE ON KOREAN BANK DEBT

REF: STATE 277322

1. RE BANK LOAN DATA IN HALLORAN ARTICLE: NUMBERS ARE CORRECT BUT DEFINITION IS WRONG. NUMBERS REFER TO TOTAL LINES OF BANK-TO-BANK CREDIT, INCLUDING CREDIT GUARANTEES. THESE ARE MUCH HIGHER THAN ACTUAL UTILIZATION OF LINES OR CASH LENT.

2. OF \$2.8 BILLION TOTAL CREDIT LINE AT END OF AUGUST, ONLY \$2.3 BILLION WAS UTILIZED AND OF THIS ONLY ABOUT \$1.55 BILLION REPRESENTED CASH LENT, THE DIFFERENCE BEING GUARANTEES OR CONFIRMATIONS. ROUGH BREAKDOWN OF \$1.55 BILLION: \$480 MILLION SHORT-TERM CREDIT; \$475 MILLION LONG-TERM BANK-TO-BANK LOANS; \$200 MILLION BRANCH BANK CREDITS; \$40 MILLION FOREIGN BANK DEPOSITS.

3. FIGURES FOR INDIVIDUAL BANK LENDING ARE ON SAME GROSS BASIS AS \$2.8 BILLION TOTAL. FIGURES FOR ACTUAL CASH LENT NOT AVAILABLE BUT LOWER IN EACH CASE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 09046 240904Z

4. FIGURES WERE GIVEN TO HALLORAN AS BACKGROUND INFO BY SENIOR MINISTRY OF FINANCE OFFICIAL. HE DID NOT EXPECT THEM TO BE PUBLISHED BUT FAILED TO EXPLICITLY PROHIBIT USE, SO NO COMPLAINT BEING MADE. AT THIS POINT, ROKG PLANS NO PUBLIC COMMENT ON ARTICLE. WHEN ASKED ABOUT FIGURES, OFFICIALS WILL DENY KNOWLEDGE OF SOURCE IN SEOUL BUT WILL SAY THEY APPEAR CORRECT EXCEPT FOR DEFINITCON.

5. ABOVE IS INTERIM REPLY. ADDITIONAL INFO AND COMMENTS TO FOLLOW. AT THIS POINT WE HAVE TWO OBSERVATIONS. HALLORAN FAILS TO MENTION THAT KOREA'S BALANCE OF PAYMENTS PROBLEM IS DUE TO THE OIL CRISIS AND TO THE INDUCED RECESSION IN KOREA'S PRINCIPAL MARKETS, THE U.S. AND JAPAN. HE ALSO FAILS TO NOTE THAT THE BANKERS WERE CAUTIOUS AFTER THE FALL OF VIETNAM, BUT ALL WE HAVE HEARD SINCE IS THAT THEY ARE INCREASINGLY BULLISH AND HAVE BEEN RAISING THEIR CREDIT LINES. WE ARE NOW ATTEMPTING TO CONFIRM THIS OBSERVATION. SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, DATA, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SEOUL09046
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750408-0650
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751115/aaaaandi.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 277322
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by BoyleJA>; APPROVED <19 NOV 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW YORK TIMES ARTICLE ON KOREAN BANK DEBT
TAGS: EFIN, KS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006